

TRANSPORTATION COMMISSION AUDIT OVERSIGHT COMMITTEE

BRIEFING PAPER

Prepared for the
April 2004 Transportation Commission Meeting

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PURPOSE:

The purpose of this session is to discuss the frequency of future Audit Committee meetings, in addition to identifying possible topics for discussions during those meetings.

ACTION/OUTCOME:

Development of a meeting schedule which addresses the Commission's need for information on either audits or other management issues. In addition taking into consideration the time lines associated with audit work and other management issues, which may impact our ability to report complete results of work being performed.

BACKGROUND:

The WSDOT Audit Office and external auditors, such as the State Auditor's Office, conduct the majority of their work based on an audit plan, which typically covers a fiscal or calendar year of operation. The completion of audit work is dependent upon the schedules of the auditors, and the availability records and people associated with the organization being audited.

The auditor's work product or report may not be available for review or discussion at a predetermined point in time. Because of this uncertainty, it is difficult to schedule Audit Committee meetings to discuss these types of items.

Therefore, in prior years, the Audit Committee had decided that due to the varied audit cycles and receipt of reports, it was better to meet quarterly or on an as-needed basis to learn about specific audit or management issues.

DISCUSSION:

If one reviews the historical findings at WSDOT, the agency has an exceptional track record, considering the types and magnitude of findings. With the exception of the now tired and worn finding at WSF by the State Auditor, relating to the revenue collection process, the agency has fared reasonably well. This is a result of internal and external audits, as well as management doing their jobs.

If new financial systems come on line, Commissioners are typically in the information loop, if the expenditures associated with new system are substantial. Other concerns brought to our attention, by the legislature or the public, are addressed at various levels throughout the Department, being handled at the lowest level possible. In many cases, it is safe to say that Audit may never hear of the issues.

RECOMMENDATION:

Recommend the Commission Audit Oversight Committee establish a meeting cycle that would include reports on the status of audit work being conducted by external audit groups and WSDOT Internal Audit. In addition, reports by WSDOT management on planned financial systems or other systems or operational matters could also be considered; for example, the status of work on the new revenue fare collection system at WSF, which may be coming on deck in the near future.

The frequency of meetings and reports should occur no more often than every three months, and would be adjusted dependent upon audit or management issues needing to be addressed, which would include consultation with WSDOT management.

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